REMARKS

Status of Claims:

Claims 1-5, 7-17, and 19-32 are present for examination.

Claim Rejection:

Claims 1-5, 7-17, and 19-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Eder (U.S. Patent No. 5,615,109) in view of Ojha et al. (U.S. Patent No. 6,598,026) (hereinafter Ojha).

With respect to claims 1-5, 7-17, and 19-32, the rejection is respectfully traversed.

Independent claim 1 recites a system for deciding a bid item for which a bid is made, comprising:

"a data memory for storing a logical formula representing a relationship among a plurality of bid items, a value table containing a value of each of the bid items, price information of each of the bid items in at least one market, a total purchasing fund, and a bidding strategy;

a profit computation section for computing a profit obtainable when at least one bid item selected from the plurality of bid items is purchased, based on the value and the price information of the at least one bid item; and

a strategy computation section for determining at least one bid item for which a bid should be made and a gross profit obtainable from the determined at least one bid item, wherein the strategy computation section selects a candidate combination including one of 1) no bid items, 2) one bid item, and 3) two or more bid items from the plurality of bid items **based on the logical formula and price information of two or more of the plurality of bid items,** and instructs the profit computation section to compute a profit obtainable from the selected candidate combination, said two or more of the plurality of bid items being separate and distinct from one another and not different quantities of the same item, said strategy computation section further establishing the bidding strategy **taking into consideration a possible rise of a bidding price** of **each** of the **plurality** of bid items **due to participation of a third party to the bidding in the future.**" (Emphasis Added).

A system including the above-quoted features has at least the advantages that: (i) a strategy computation section allows for determining at least one bid item for which a bid should be made; (ii) the strategy computation section selects a candidate combination of bid

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items <u>based on</u> a logical formula and <u>price information</u> of **two or more** of a plurality of bid items; and (iii) the strategy computation section further establishes a bidding strategy **taking into consideration a possible rise of a bidding price** of **each** of the **plurality** of bid items due to participation of a third party to the bidding in the future. Such a system allows for determining how to bid in a case where a combinatorial value of **two or more** <u>different types</u> of bid items is defined by establishing a bidding strategy <u>taking into consideration a possible rise of a bidding price</u> of <u>each</u> of the bid <u>items</u> in the future.

According to embodiments of the present invention, a combinatorial profit relationship (logical formula) may be defined as (i) AND (all items are purchased); (ii) OR (any one item or any number of items are purchased within a total purchasing fund as long as the possible profit increases); and/or (iii) exclusive-OR (only one item is purchased so as to maximize the possible profit). Such a combinatorial profit relationship is used to maximize the possible profit.

Neither Eder nor Ojha, alone or in combination, disclose or suggest a system including the above-quoted features.

Eder does <u>not</u> disclose a combinational profit of <u>two or more</u> different types of bid items, but an inventory management scheme for purchasing items from vendors taking forecasts of sales, their risks, and the like into account. Ojha does <u>not</u> take into account a risk of a variation in price due to bidding, but proposes only a method of price negotiation with selected ones of sellers for selected ones of a plurality of products.

The Examiner admits that, "Eder does **not** disclose wherein the strategy computation section further establishes a purchasing strategy taking into consideration a possible rise of a purchasing price of each of the purchase items due to participation of a third party to the purchasing in the future." (Office Action; page 5) (Emphasis Added). The Examiner then states that, "[h]owever, such feature is well known in the art in bidding for an item." (Office Action; page 5). The Examiner further states that, "[f]or example, in a traditional auction, the bidders competes each other in bidding for **an item** by submitting higher price in order to get

the item, thus the purchase price of **the item** is increasing." (Office Action; page 5) (Emphasis Added).

Applicant traverses the taking of Official Notice by the Examiner.

The example provided by the Examiner in the Official Notice only considers a possible rise in a bidding price of a **single** item when bidding for <u>only</u> the <u>single</u> item. In contrast, the difficulty in bidding occurs when there are **two or more** different types of possible bid items and when there may be a possible rise of a bidding price of **each** of the **plurality** of bid items in the future.

As an example, consider the following scenario:

1) The value of an item A for a bidder is 20;

2) The value of an item B for the bidder is 30; and

3) If both (AND) of items A and B are purchased, then the combinatorial value of the items A and B for the bidder becomes 100.

If the respective bid prices of the items A and B are 10 and 15, which are both lower than the above values, then there is no problem to respond to the bid. On the other hand, if the respective bid prices of the items A and B become 30 and 40, then decision is not so easy. If both (AND) of items A and B are purchased for a price of 70, then the bidder makes a big profit because the combinatorial value of the items A and B for the bidder is 100.

However, assume that when the bidder bids these bid prices for the items A and B, a third party bids a price of 90 for the item B. In this case, the bidder must bid a price higher than 90 for the item B. In case of the price of item B being 90, a total price of items A and B is 120, which exceeds the combinatorial value of 100, and therefore the bidder wants to cease to respond to the bid for the items A and B. However, there is a possibility that the bidder wins the bid for the item A. In the case of the bidding where the bidder cannot withdraw the bid for the item A, if the bidder wins the bid at a contract price of 30, then the bidder sustains a loss of 10 (= 30-20).

As described above, a bidder who has a combinatorial value of **two or more** different types of bid items has a <u>risk</u> by auction, which is <u>different</u> from that of a bidder who does <u>not</u> have a combinatorial value of bid items and only bids for a **single** bid item. Accordingly, a bidding system according to embodiments of the present invention is needed, which can make a strategic bid decision using combinatorial values of a <u>plurality</u> of items while <u>taking into consideration a possible rise of a bidding price</u> of **each** of the **plurality** of items in the future.

In summary, the Examiner admits that, "Eder does **not** disclose wherein the strategy computation section further establishes a purchasing strategy taking into consideration a possible rise of a purchasing price of **each** of the purchase **items** due to participation of a third party to the purchasing in the future". (Emphasis Added). Also, the example provided by the Examiner in the Official Notice taken by the Examiner does <u>not</u> disclose or suggest the feature, "establishing the bidding strategy taking into consideration a possible rise of a bidding price of **each** of the **plurality** of bid **items** due to participation of a third party to the bidding in the future". Thus, the Examiner is challenged to provide a reference for such a teaching so that applicant has an opportunity to review the reference and to provide comments.

Therefore, independent claim 1 is neither disclosed nor suggested by Eder, Ojha, and the taking of Official Notice and, hence, is believed to be allowable. The Patent Office has <u>not</u> made out a *prima facie* case of obviousness under 35 U.S.C. 103.

Independent claim 7 recites an automated bidding system with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 8 recites a bid supporting system with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 13 recites, in a computer, a method for deciding a bid item for which a bid is made with features similar to features of a system for deciding a bid item of

independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 19 recites, in a computer, an automatic bidding method with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 20 recites, in a computer, a bid supporting method with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 25 recites a computer-readable recording medium storing a computer program for deciding a bid item for which a bid is made where the computer program performs steps with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 26 recites a computer-readable recording medium storing a computer program for automatic bidding where the computer program performs steps with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 27 recites a computer-readable recording medium storing a computer program for a bid supporting method with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 28 recites, in a computer, a method for deciding a bid item for which a bid is made with features similar to features of a system for deciding a bid item of

independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 29 recites, in a computer, a method for deciding a bid item for which a bid is made with features similar to features of a system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

The dependent claims are deemed allowable for at least the same reasons indicated above with regard to the independent claims from which they depend.

Conclusion:

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check or credit card payment form being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741.

If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date _____ May 8, 2006 _____   By _____ Jst Slj _____

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